

CONTRACT BOND

WASHINGTON STATE FERRIES

M. V. KITSAP DRYDOCKING

CONTRACT NO. 00-7043

CONTRACT BOND

KNOW ALL MEN BY THESE PRESENTS, That we, _____ as Principal (the "Principal") and _____, a corporation duly organized under the laws of the State of _____ and authorized to do business in the State of Washington, as Surety} (the "Surety")¹, are jointly and severally held and firmly bound unto Washington State Ferries, a division of the Washington State Department of Transportation, (hereinafter called "WSF"), as Obligee, in the penal sum of _____ **Dollars** (\$_____) for the payment of which we jointly and severally bind ourselves, our heirs, executors, administrators, successors and assigns, firmly by these presents.

The condition of this Bond is such that:

WHEREAS, on the _____ day of _____, 2005, the Principal herein executed a certain Contract with WSF, titled **M.V. Kitsap Drydocking Contract No. 00-7043** (the "Contract"); and all capitalized terms used but not defined herein to be as defined in the Contract (as applicable); and

WHEREAS, by the terms, conditions and provisions of the Contract, the Principal agreed to: (i) provide all labor, furnish all tools, materials and equipment for the Contract work; and (ii) perform such other work as may be required by the plans, specifications, special provisions and other Contract documents (all of which Contract documents are by this reference incorporated herein); and

WHEREAS, this Bond shall cover all of the Contract work, including Contract work ordered pursuant to Change Orders; **Provided**, in no event shall the Principal's and Surety's liability exceed one hundred twenty five percent (125%) of the original Contract price until the Principal obtains the written consent of the Surety if the changed work increases the total Contract price by more than twenty five percent (25%) of the original Contract price.

¹ If there is more than one Surety on this bond repeat the language in brackets and change the parenthetical to read (jointly and severally the "Surety").

NOW, THEREFORE, if the Principal herein shall fully and faithfully observe and comply with all the terms, conditions and provisions of the Contract in all respects and shall fully and faithfully perform the Contract work according to law and the terms of the Contract documents, and shall indemnify the State of Washington and WSF against any damages that shall be suffered or claimed arising out of the Principal's performance of the Contract, and shall pay all laborers, mechanics, subcontractors, agents and materialmen, and all persons who shall supply the Principal with provisions and supplies for carrying on such Contract, then this obligation to be void, otherwise to remain in full force and effect; **Provided** that liability hereunder for defects in material and workmanship: (i) shall be limited to a period of one (1) year after redelivery of the Vessel to WSF, and (ii) shall not exceed ten percent (10%) of the amount herein set forth as the penal sum of this Bond.

Signed this _____ day of _____, 2005.

PRINCIPAL

BY: _____
TITLE: _____
ADDRESS: _____

SURETY

BY: _____
TITLE: _____
ADDRESS: _____
